

Pakistan, China may sign a deal for investment in agriculture

Pakistan and China may sign a legal framework agreement under the China-Pakistan Economic Corridor (CPEC), aimed at bringing investment in the neglected agriculture sector and exporting surplus produce to feed the growing Chinese population.

Both sides were aiming to sign the deal during the visit of Prime Minister Imran Khan to China early next month, said officials in the Ministry of Planning and the Ministry of National Food Security.

If finalized, it would be a government-to-government sovereign deal, developed on the parameters of the legal framework agreement in the energy sector, officials added. The major thrust of the agreement will be on enhancing production of the agriculture sector and exporting the surplus produce to China, they added.

Chinese companies may give buy-back guarantees to farmers for the purchase of grains and food aimed at protecting them from losses, the officials said and added that Chinese investment would be allowed in joint ventures but they may not be allowed to buy land.

The quantum of investment in the agriculture sector has not yet been discussed, but it will be "huge", according to an official in the Ministry of National Food Security. A Chinese delegation, led by MA Aiguo, Vice Minister for Agriculture and Rural Affairs, is currently visiting Pakistan to finalize modalities for the framework agreement. The delegation met with Federal Minister for Planning and Development Makhdoom Khushro Bakhtyar.

Joint ventures, value addition, cold chain management for fruits and vegetables, marketing and branding would help Pakistan overcome weaknesses and increase agriculture exports to China and other countries, as there was a massive potential for developing Pakistan's agriculture sector and achieve a win-win situation.



China and Pakistan should give full play to their own competitive advantages to strengthen agriculture infrastructure construction with CPEC coverage and play their roles in agriculture personnel training, technical exchange and cooperation, says the CPEC Long Term Plan (2017-30).

MA Aiguo said agricultural cooperation should set a new and important direction with a focus on areas as well as the level of cooperation and finalization of specific plans, according to a statement issued by the planning ministry. He said China was ready to share its expertise and successful agriculture models with Pakistan.

Pakistan meat association demands incentives to boost halal food exports

All Pakistan Meat Processors and Exporters Association (APMPEA) has urged the government to treat this industry on par with other export sectors by extending all incentives being given to others, especially the textile sector.

'Despite having an export of over \$2 billion, we are not being acknowledged as an industry. We have the potential to become an industry of \$10 billion in next few years provided we are given incentives like other sectors,' said APMPEA Chairman Nasib Ahmad Saifi.



He said all the raw material of this industry is present within the country and they do not need to ask for exemptions or reductions of duties. 'We only need that the export refinances procedure to be made simple and easy for us. Our industry is not in need of working capital. It just wants that the export refinance should be extended on easy terms against the letter of credit opened by our importers against any consignment,' Saifi demanded.

He regretted that Pakistan was not taking advantage of \$3.6 trillion international halal markets despite being a Muslim country and having all the capabilities to make its presence realized. He said they are not having even one percent of the total international market.

Saifi proposed that the government should urge its commercial counselors deputed abroad to work in collaboration with their organization to capture different traditional and non-traditional markets. 'We are exporting to only three markets of the Middle East while India is exporting halal meat products to over 40 countries,' he disclosed.

He claimed that recently beef exported to Russia and Turkey was appreciated very much due to its taste. 'Beef of young animals was exported from Pakistan as compared to others competitors. We should target new markets such as Turkey, Central Asian countries, China, Indonesia, Thailand, Korea, Japan, Lebanon and Morocco,' he proposed. Concluding his remarks, Saifi proposed that the government should immediately allot at least 500 acres of land each to the actual owners of meat processing and export units for livestock farming in Cholistan area, so they can enhance their capacity and production of meat.

Fertilizer makers warn of Rs128/bag urea price hike

The recent hike in gas prices for fertilizer sector is estimated to jack up urea price by Rs128 per bag, not only dealing a blow to local farmers' profitability, but also overall agriculture, industry officials.

"The fertilizer industry is already suffering on account of subsidy of Rs20 bil-

lion, withheld by the government," a spokesman for Fertiliser Manufactures of Pakistan Advisory Council (FMPAC) said in a statement.

"The profits have also dwindled to their lowest levels over the past six years regardless of record revenues achieved by major players."

Commenting on feedstock price of gas, the FMPAC spokesman said, governments, around the world, held the responsibility to protect and favor their essential indigenous industries, to create more employment opportunities and reduce their imports bills. "The government should provide relief through adjustment in GIDC (gas infrastructure development cess) and other taxes to fertilizer sector, offering a competitive advantage vis-a-vis international market, thus supporting local farmers through affordable prices," the spokesman said.

Therefore, he added, Pakistan should also formulate an ingenious tax regime to nurture its agriculture sector, while strengthening the supply of its basic inputs, like fertilizer.

Regarding gas supply resumption to closed fertilizer plants, the spokesman said, as a result of the gas supply restoration, Agritech located in the constituency of Prime Minister started urea production,



Discover & Control Leaks & Waste In Compressed Air System

Compressed Air Audit Services

AirAudit

www.airaudit.com.pk

Tel: +92 51 2228763 | Cell: +92 332 0506134

E-mail: info@airaudit.com.pk | Web: www.airaudit.com.pk

KARACHI | LAHORE | ISLAMABAD

while Fatimafert was also likely to resume production shortly, adding to the domestic production.

"The gesture of government especially the ministries of industries and production, and finance and petroleum, in this regard is appreciated by all and sundry," he said.

Abdur Razzaq Dawood, the advisor to Prime Minister on Industries and Asad Umer, the finance minister has realized the need for operationalization of underutilized domestic production capacity, has played the lead role in saving the local industry, foreign exchange and subsidy element, in view of higher international prices, he said.

The FMPAC representative said the shortage of local gas and high prices of imported liquefied natural gas (LNG) in the country had created major challenges for this sector, which was among the biggest revenue contributors to Pakistan's exchequer. "Furthermore, not supporting the domestic production may result in urea shortage, forcing costly imports and volatility in prices," he lamented.

The spokesman also pointed out that gas supply to manufacturers from Sui Northern Gas Pipelines (SNGPL) had remained highly erratic, causing major

disruptions and shut-downs in the production of these enterprises suffering heavy financial losses.

About meeting national demand, the spokesman said, Pakistan's fertilizer industry has the capacity to meet national demand, if the cost of production remained within the viable limits.

It should be noted that the world over gas is provided to the fertilizer sector at a much lower rate compared to Pakistan. It is \$4.78/MMBTU in Pakistan, while internationally it is between \$2 to \$3/MMBTU.

Drastic cut in the budget for agriculture and allied departments

The Punjab government has drastically reduced the development budget of agriculture and allied sector, which is the mainstay of the provincial economy. The Agriculture Department's development budget for the financial year 2018-19 has been slashed by one third if compared with the last fiscal outlay. The provincial government earmarked just Rs 7.0 billion ongoing fiscals against last year's budget of Rs. 21 billion.

As per vision for the sector growth, provincial government wants to transform Punjab's Agriculture into a market-driven, diversified and sustainable sector through integrated technologies, transparency & value for money. The main goals include raising the growth rate of agriculture sector from existing 3.4 per cent to 7.0 per cent, transforming Agriculture Department into a strong ICT-led farmer-centric institution, improving crop productivity and diversity, improving service delivery to farmers with access to evidence-based and diagnostic-driven services, mobilizing private investment of PKR 75 billion in Agriculture sector.

The objectives of allocating provincial budget for agriculture sector has been described as to bring paradigm shift from industrial agriculture to diversified agro-ecological systems, increase the supply and quality of agricultural crops, reducing the cost of production through direct transfer of subsidies to targeted farmers. The government also wants to enhance the resilience of smallholder farmers to natural disasters through Crop Insurance. The provincial government also expresses an emphasis on decreasing in oilseed import bill through boosting local production.

Irrigation Department: Irrigation sectors total outlay for the year 2018-19 has been planned as Rs.19.5 Billion against last year's allocation of Rs 41.03 billion, showing almost reduction of half the amount. Irrigation sectors allocation constitutes 8.12 percent of the core ADP (2018-19).

The colossal irrigation conveyance network in Punjab is serving 21 million acres (8.4 million hectares) cultivable command

Pakistan faces nutrition emergency

The Food Department arranged a conference on World Food Day at a local hotel on 16th October. The theme for this year's World Food Day was Our Actions Are Our Future along with a campaign #ZeroHunger World by 2030.

The key speakers of the conference were Food Minister Samiullah Chaudhry, Pakistan Food Authority Director General Captain (r) Muhammad Usman, Food Secretary Shaukat Ali and representatives from Nutrition & National Food Fortification Alliance, FFP, GAIN, United Nations International Children's Fund (UNICEF), World Food Program (WFP), Pakistan Flour Mills Association (PFMA) and Pakistan Vanaspati Manufacturers Association.

Opening the event, Shaukat Ali shed light on the importance of World Food Day, which is celebrated annually on October 16, discussing a different theme each year. The theme for World Food Day 2018 was Our Actions Are Our Future along with a campaign tagline #ZeroHunger World by 2030. Ali mentioned in his speech that over-population and climate change are increasing issues that need to be tackled with multi-sectoral contributions.

Speaking on the occasion, PFA DG Captain (r) Muhammad Usman reinstated the fact that "Zero Hunger" does not certainly mean just any kind of food will be provided to the public by 2030, in fact, the quality and nutritious content of the food will be ensured. Further, he shed light on the achievements of the authority in relation to the energy drinks, ghee, margarine, hatchery eggs, adulteration and tea whiteners. According to PFA DG, other countries followed PFA's footsteps in ensuring that fizzy drinks are not energy drinks. With a heavy heart, PFA DG announced that it took 65 years for our government to establish a department which would ensure food safety and health of the nation and that in these years, adulteration has become a common practice.

A documentary highlighting the accomplishments of PFA was played at the conference. Lastly, he proposed in the presence of Food Fortification Alliance, FFP and PFMA to join hands and make sure that on the next World Food Day celebration, the availability of fortified flour throughout the province would be guaranteed.



area with cropping intensities generally exceeding 120%. The vast irrigation system in the province, however, faces major irrigation and drainage challenges with serious economic, environmental and social implications. Hydraulic infrastructure has deteriorated and large deficits in operation & maintenance (O&M) have led to sub-optimal service delivery levels, characterized by low water conveyance efficiencies and inequitable water deliveries.

Replacement cost for Punjab Irrigation infrastructure including barrages and conveyance network is estimated as Rs. 1600 billion whereas the estimated cost for rehabilitation and deferred maintenance needs around Rs. 200 billion. Consequently, development goals for the sector encompass rehabilitation, improvement and modernization of irrigation network and allied infrastructure along with system-wide institutional reforms aiming to enhance reliability, adequacy and timeliness of irrigation supplies ensuring system's integrity and sustainability through improved management and service delivery levels.

E-agriculture strategy in Pakistan

The Food and Agriculture Organization (FAO) of the United Nations, in collaboration with the International Telecommunication Union (ITU), organized a two-day consultation workshop to identify the road-map for e-agriculture strategy in Pakistan.

Initiatives were aimed at identifying effective and efficient ways for reaching more farmers, transferring knowledge,

adaptation to climate change and supporting the modernization of Pakistan's agriculture sector by using available information and communication technologies.

The consultation process will lead to the preparation of a framework for providing support for the formulation of national e-agriculture policy which will ensure improvement in livelihoods, food security and value-chain development.

ADB approves \$100 million in a loan for agriculture in Balochistan

The Asian Development Bank's (ADB) on Monday approved a \$100 million loan to address chronic water shortages and increase earnings on farms in Balochistan.

The Balochistan's water resources development sector project will focus on improving irrigation infrastructure and water resource management in the Zhob and Mula river basins.

Agriculture sector accounts for almost two-thirds of Balochistan's economic output and employs 60 percent of the province's 13 million population, but frequent drought and poor water management has put the industry, and those who rely on it, at risk. Poverty rates in the province are almost double the national average.

"Agriculture is the backbone of Balochistan's economy," ADB Principal Water Resources Specialist Yaozhou Zhou said in a statement. "This project will build irrigation channels and dams, and introduce efficient water usage systems and practices, to help farmers increase food production and make more money."

Among the infrastructure that will be upgraded or built for the project is a dam able to hold 36 million cubic meters of water, 276 kilometers of irrigation channels and drainage canals, and facilities that will make it easier for people, especially women, to access water for domestic use. Around 16,592 hectares (41,000 acres) of land will be added or improved for irrigation under the project.

The project will protect watersheds through extensive land and water conservation efforts, including planting trees and other measures on 4,145 hectares of barren land to combat soil erosion.

Part of the project's outputs are the pilot testing of technologies like solar-powered drip irrigation systems on 130 hectares of agricultural land, improving crop yields and water usage on 160 fruits and vegetable farms, and demonstrating high-value agriculture development.

The project will also establish a water resources information system that will use high-level techniques such as satellite and remote sensing to do river basin modeling and identify degraded land for rehabilitation.

ADB will also administer grants from the Japan Fund for Poverty Reduction (JFPR) and the High-Level Technology Fund (HLT Fund) worth \$3 million and \$2 million, respectively, for the project.

JFPR, established in May 2000, provides grants for ADB projects supporting poverty reduction and social development efforts, while the HLT Fund, established in April 2017, earmarks grant financing to promote technology and innovative solutions in ADB projects.

A separate \$2 million technical assistance from JFPR will help the provincial government improve its institutional capacity to address the risks and potential impact of climate change in the agriculture sector, as well as build a climate-resilient and sustainable water resources management mechanism in the province.

"ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty," the statement said. ♦

